

ORIGINAL

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Special Services Reform, 1996

Docket No. MC96-3

FIRST SET OF INTERROGATORIES OF
THE NEWSPAPER ASSOCIATION OF AMERICA
TO POSTAL SERVICE WITNESS
W. ASHLEY LYONS (NAA/USPS-T1-1-2)
(August 7, 1996)

The Newspaper Association of America ("NAA"), pursuant to Rules 25 and 26 of the Commission's Rules of Practice, hereby submits its first set of interrogatories to USPS witness Lyons and requests a timely response under oath. If Mr. Lyons cannot answer any interrogatory, please readdress that interrogatory to a witness who can.

Respectfully submitted,

NEWSPAPER ASSOCIATION OF AMERICA

Robert J. Brinkmann
NEWSPAPER ASSOCIATION
OF AMERICA
National Press Building
529 14th Street, N.W., Ste. 440
Washington, D.C. 20045-1402
(202) 683-4792

By: William B. Baker
William B. Baker
Leslie A. Platt
WILEY, REIN & FIELDING
1776 K Street, N.W.
Washington, D.C. 20006-2359
(202) 429-7000

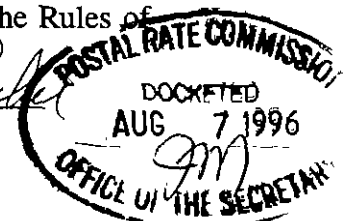
August 7, 1996

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the instant document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

August 7, 1996

William B. Baker
William B. Baker



NEWSPAPER ASSOCIATION OF AMERICA INTERROGATORIES
TO POSTAL SERVICE WITNESS W. ASHLEY LYONS
(FIRST SET)

NAA/USPS-T1-1. Please refer to Library Reference SSR-112 ("A Report On The Need For Equity Restoration And The Recovery Of Prior Years' Losses" and Resolution of the Board of Governors of the United States Postal Service No. 95-9)

- a. Please confirm that, on the first page of the Executive Summary, the Report states:

The Postal Service's current negative equity position must be analyzed in light of the benefits associated with equity restoration, as well as the costs association with continued equity erosion. A positive equity position is of critical importance to any business, but it is particularly important to the Postal Service.

- b. Please confirm that in Resolution No. 95-9, the Board of Governors state:

The Board of Governors hereby adopts the following Policy Statement affirming the Postal Service's commitment to the goals of breaking even over time and taking actions to improve its equity position.

- c. Please enumerate and describe in detail each benefit associated with equity restoration.
- d. Please describe in detail why a positive equity position is important to the Postal Service.
- e. Please enumerate and describe each of the Postal Service's other medium- to long-range goals.
- f. Please describe how the importance of the Postal Service's goal of equity restoration compares with the importance of the goals identified in part e above.

NEWSPAPER ASSOCIATION OF AMERICA INTERROGATORIES
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- g. Does the Postal Service perceive any tension between its goals of (1) restoration of its net equity position and (2) its goal of rate stabilization? Please explain fully.

NAA/USPS-T1-2. Please refer to Library Reference SSR-112.

- a. Please confirm that, on page 7, the Report states that the Postal Service's cumulative net losses were \$9 billion as of September 30, 1994.
- b. Is that the most current figure for cumulative net losses available? If not, please provide the most recent figure.
- c. Please provide the projected cumulative net losses for the current and next fiscal year, assuming approval and implementation of this Request in this case and no omnibus rate case next year.